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229772



June 8, 2011

BY HAND DELIVERY

Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, SW
Washington, DC 20423

FEE RECEIVED
JUN - 8 2011
SURFACE
TRANSPORTATION BOARD

Re: STB Docket No. AB-991X, Yellowstone Valley Railroad, L.L.C. --
Discontinuance of Lease Operations Exemption -- In Dawson and Richland
Counties, MT

Dear Ms. Brown:

Attached for filing are the original and ten copies of a Notice of Exemption under
49 C.F.R. § 1152.50. Also attached is a check covering the \$3,600 filing fee.

Please time and date stamp the extra copy of the Notice and return it with our
messenger.

If you have any questions, please call me.

Sincerely,

Karl Morell
Of Counsel

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ENTERED
Office of Proceedings
JUN - 8 2011
Part of
Public Record

229772

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB DOCKET NO. AB-991X

YELLOWSTONE VALLEY RAILROAD, L.L.C.
-- DISCONTINUANCE OF LEASE OPERATIONS EXEMPTION --
IN DAWSON AND RICHLAND COUNTIES, MONTANA

NOTICE OF EXEMPTION

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SURFACE
TRANSPORTATION BOARD

Karl Morell
Of Counsel
Ball Janik LLP
1455 F St., N.W.
Suite 225
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(202) 638-3307

Attorney for:
YELLOWSTONE VALLEY
RAILROAD, L.L.C.

Dated: June 8, 2011

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**BEFORE THE
SURFACE TRANSPORTATION BOARD**

STB DOCKET NO. AB-991X

**YELLOWSTONE VALLEY RAILROAD, L.L.C.
-- DISCONTINUANCE OF LEASE OPERATIONS EXEMPTION --
IN DAWSON AND RICHLAND COUNTIES, MONTANA**

NOTICE OF EXEMPTION

Yellowstone Valley Railroad, L.L.C. ("YVRR") files this Verified Notice of Exemption pursuant to the class exemption at 49 C.F.R. § 1152.50 to discontinue service over the 37-mile rail line owned by BNSF Railway Company ("BNSF") located between milepost 6.0, near Glendive and milepost 43.0 at Crane, in Dawson and Richland Counties, Montana (the "Line").

1. **Proposed consummation date.**

The proposed consummation date is on or shortly after the effective date of this Notice of Exemption.

2. **Certification required by 49 C.F.R. § 1152.50(b).**

The required certification is attached hereto as Exhibit A.

3. **Information required by 49 C.F.R. § 1152.22(a)(1) through (4), (7), and (8), and (e)(4).**

(a) **General.**

(1) **Exact name of applicant.**

Yellowstone Valley Railroad, L.L.C.

- (2) Whether applicant is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105.

The YVRR is a common carrier by railroad subject to 49 U.S.C. Subtitle IV, Chapter 105.

- (3) Relief sought.

YVRR seeks to use the class exemption at 49 C.F.R. § 1152.50 to discontinue service on the 37-mile rail line located between milepost 6.0, near Glendive and milepost 43.0, at Crane in Dawson and Richland Counties, Montana. There has been no local traffic on the Line in over two years. While the overhead traffic can be rerouted, BNSF intends to route certain BNSF overhead traffic over the Line after YVRR discontinues its operations and BNSF becomes the operator of the Line.

- (4) Map.

A Map depicting the trackage covered by the proposed discontinuance is attached as Exhibit B.

- (7) Name, title, and address of representative of applicant to whom correspondence should be sent.

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- (8) List of all United States Postal Service ZIP Codes that the line proposed for abandonment traverses.

The Line traverses U.S. Zip Codes: 59217, 59262 and 59330.

- (e) Rural and community impact.
- (4) Statement of whether the properties proposed to be abandoned are appropriate for use for other public purposes, including roads and highways, other forms of mass transportation, conservation, energy production or transmission, or recreation. If the applicant is aware of any restriction on the title to the property, including any reversionary interest, which would affect the transfer of title or the use of property for other than rail purposes, this shall be disclosed.

YVRR is simply discontinuing its operations over the Line and

BNSF will resume its operations. Consequently, the Line is not available for other public purposes.

4. The level of labor protection.

The interests of railroad employees will be protected by the conditions set forth in *Oregon Short Line R. Co. – Abandonment – Goshen*, 360 I.C.C. 91 (1979).

5. Certification.

Certificates of compliance with the notice requirements of 49 C.F.R. §§ 1152.50(d)(1) and 1105.11 are attached as Exhibit C.

6. Environmental and Historic Reporting Requirements.

This proceeding is exempt from environmental reporting requirements under 49 C.F.R. § 1105.6(c) because the line will continue to be operated. Since BNSF owns the Line and will resume operations over the Line, no historic documentation is required pursuant to 49 C.F.R. § 1105.8(b). See STB Docket No. AB 1057X, *Missouri & Valley Park Railroad Corporation – Discontinuance of Service Exemption – In St. Louis County, MO* (not printed), served June 15, 2010.

Based on information in the possession of BNSF, the Line does contain some federally granted rights-of-way. Any documentation in the YVRR's possession will be made available promptly to those requesting it.

Respectfully submitted,

A handwritten signature in black ink that reads "Karl Morell". The signature is written in a cursive style with a horizontal line underneath the name.

Karl Morell
Of Counsel
Ball Janik LLP
655 Fifteenth Street., N.W., Suite 225
Washington, D.C. 20005
(202) 638-3307

Attorney for:
YELLOWSTONE VALLEY
RAILROAD, L.L.C.

Dated: June 8, 2011

**VERIFICATION AND CERTIFICATION THAT RAIL LINE MEETS
CRITERIA OF 49 C.F.R. SECTION 1152.50(b)**

I, Arthur E. McKechnie, III, being duly sworn depose and state that I am Executive Vice President of Yellowstone Valley Railroad, L.L.C. ("YVRR"), that I am authorized to make this verification, and that I have read the foregoing Notice of Exemption and know the facts asserted therein are true and accurate as stated to the best of my knowledge, information, and belief.

I hereby certify that no local traffic has been handled to or from any customer over the rail line located between milepost 6.0, near Glendive, MT and milepost 43.0, at Crane, MT (the "Line") for at least two (2) years prior to the date hereof. While any overhead traffic can be rerouted, BNSF Railway Company will continue to route certain BNSF traffic over the Line. Further, no formal complaint filed by a user of rail service on the Line (or a State or local government entity acting on behalf of such user) regarding cessation of service over the Line either is pending with the Surface Transportation Board or any U.S. District Court or has been decided in favor of a complainant within the two-year period.

The foregoing certification is made on behalf of the YVRR by the undersigned after due and careful investigation of the matters herein certified and based on the best of the knowledge, information, and belief of the undersigned.



Arthur E. McKechnie III
Arthur E. McKechnie III

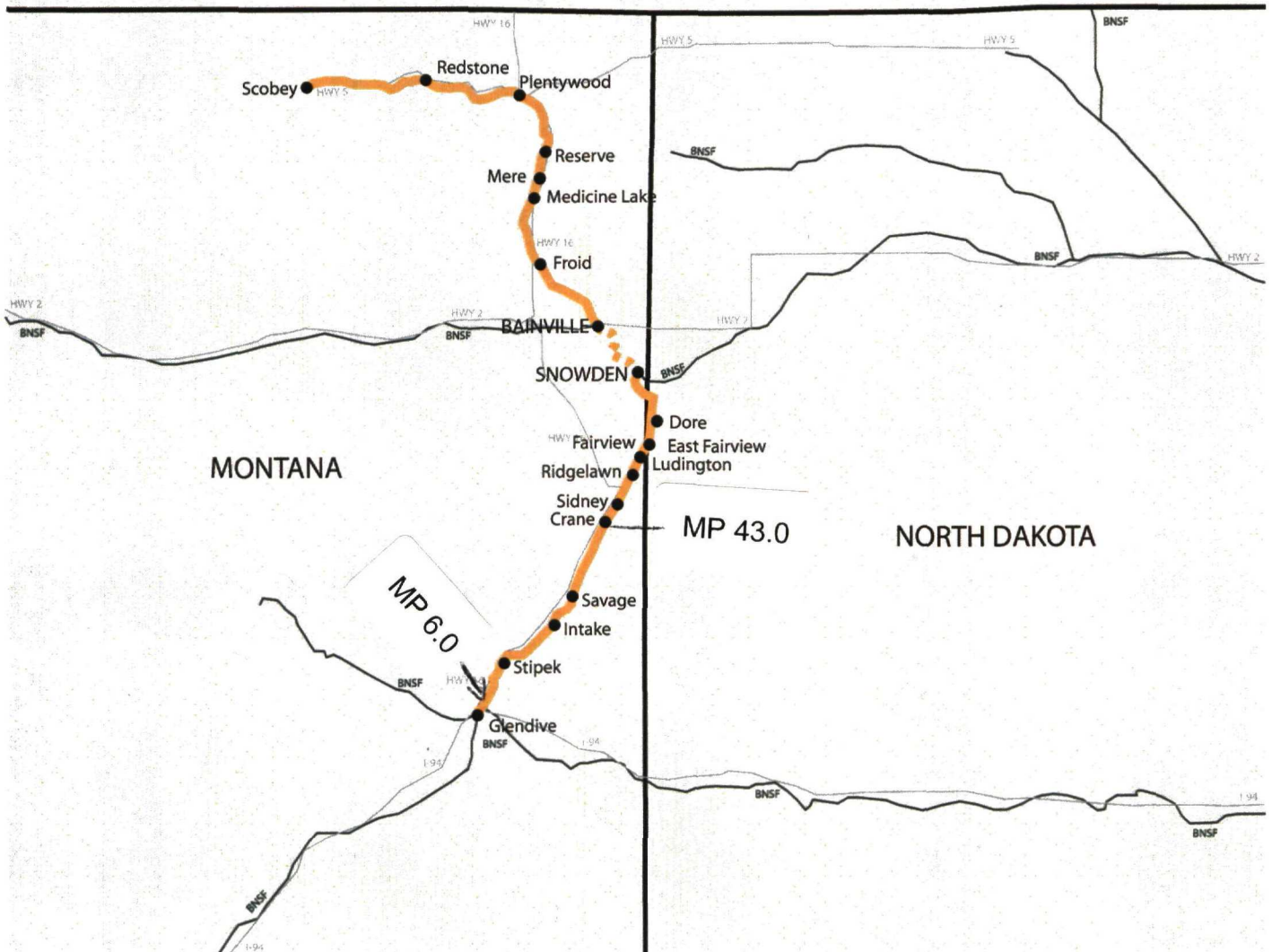
SUBSCRIBED AND SWORN TO before me this 31 day of May, 2011.

My Commission Expires: 8/16/2012

Don J. Magee
Notary Public

EXHIBIT B

CANADA



LEGEND:

Yellowstone Valley RR (YSVR)

Yellowstone Valley Trackage Rights

Interchanges - Track miles 172

BNSF - Snowden, Bainville

EXHIBIT C

CERTIFICATE OF SERVICE

Pursuant to 49 C.F.R. § 1152.50(d)(1), the undersigned hereby certifies that notice of the proposed discontinuance in STB Docket No. AB-991X was mailed via first class mail on May 12, 2011 to the following parties:

State Public Service Commission Montana Department of Transportation 2701 Prospect Avenue Helena, MT 59620 Montana Public Service Commission P.O. Box 202601 Helena, MT 59620-2601 Military Traffic Management Command MTMCTEA ATTN: SDTE-SE Railroads for National Defense 709 Ward Drive, Building 1990 Scott AFB, IL 62225-5357	National Park Service Chief of National Recreation and Trails U.S. Dept. of Interior - Nat'l. Park Service Recreation Resources Assistance Division 1849 C Street, NW Washington, DC 20240-0001 National Park Service National Park Service 12795 Alameda Pkwy Denver, CO 80225 U.S. Department of Agriculture U.S. Department of Agriculture Chief of the Forest Service 4th Floor N.W., Auditors' Building 14th St. and Independence Ave., S.W. Washington, DC 20250
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Dated: June 8, 2011


Karl Morell

CERTIFICATE OF PUBLICATION

The undersigned hereby certifies that notice of the proposed discontinuance in STB Docket No. AB-991X was published on May 15, 2011 in the Sidney Herald, a newspaper of general circulation in Richland County, Montana and on May 19, 2011 in the Ranger Review, a newspaper of general circulation in Dawson County as required by 49 C.F.R. § 1105.12.

Dated: June 8, 2011


Karl Morell